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## CONTRACT APPROVAL

Contract No. A-101

	Pursuant to your recent request, CMCC Doc. No. 151x5.192, and enclosure thereto, as a modification of approvals issued previously, approval is hereby granted to utilize the following provisional rates in connection with billings under Contract No. A-101:
25X <del>1</del>	Communications Division overhead expenses of direct labor (no change from previous authorization).
25X1	Communications Division General and Administrative Expense -
25X1	of cost of soles. (Change from
	This authorization is retroactive to 1 January 1956.
25X1	
20/1	
	Contracting Officer Contract No. A-101
	GFK:vd (8/10/56)

Distribution:

3 - Finance 4 - Chrono 5 - Reading

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Dear George:

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As I advised you some time back, we have contemplated a change in billing rates when sufficient experience had been accumulated to give us a good basis for making a change. At that time we adjusted all of our proposal Overhead and General and Administrative rates to the ones we anticipated becoming effective.

We have now obtained approval from the Air Force Contracting Officer for revised rates to be effective, retroactive to January 1, 1956.

Overhead rate we have been using in the There is no change in the proposals for the Communications Division. Although the actual cumulawe anticipate that we will reach or tive rate through May was The General and Administrative rate has lower, by the end of the year. in order to more fully recover our been raised slightly from L incurred General and Administrative costs.

The affect of making this rate change retroactive to the first of the year will be very small in dollar terms. We estimate a net increase of about for the first half of the year over present billings.

Your approval is requested for a change of billing rates retroactive to 1 January 1956 to for Overhead and for General and Administrative. A copy of the Air Force Contracting Officer's approval of these rates is attached.

Sincerely,

Bob

Enclosure Letter dated July 11, 1956

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